

SUNSHINE PERIOD

Mispiration Apartments

Insignia Management Group
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Milford, DE. 19963

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RECEIVED

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12 July 96

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M. Street, NW, Room 222
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

RE: RESTRICTIONS ON OVER-THE-AIR RECEPTION DEVICES, CS DOCKET NO. 96-83,
AND PREEMPTION OF LOCAL ZONING REGULATION OF SATELLITE EARTH
STATIONS, IB DOCKET NO. 95-59.

Dear Mr. Caton;

We write to request clarification regarding the possible effect on our business of the rules proposed in the above dockets. An original and 13 copies of this letter are enclosed for filing in the record. We understand that the proposed rules would invalidate "nongovernmental restrictions" that "impair" a viewers ability to receive video programming over the air, through a wireless cable or similar system or by direct broadcast satellite.


Insignia Management Group, L.P. provides property management services for multi-unit, residential apartment buildings with a portfolio consisting of a total of 1,284 properties or 213,433 units in 45 states and 608 cities. Consequently we have entered into hundreds of thousands of leases with our residents. We are concerned that our leases might contain terms that are "nongovernmental restrictions" that "impair" veiwing, but we do not know how the proposed rules would be applied. This uncertainty could very well create unnecessary disputes with our residents.

We would appreciate your guidance in determining which provisions of our lease contain terms that might be considered "nongovernmental restrictions" or "impairments" under the rules you propose in our circumstances.

Accordingly, we enclose a copy of one of our representative lease forms. Please read it and let us know which terms of the enclosed form would violate either of the proposed rules

Thank you for your assistance.

Sincerely,


Stephen A. Gresham
Property Manager

LEASE AGREEMENT (FmHA)

Name of Apartment Property

The above-named apartment property, acting by and through its Managing Agent, Insignia Management Group, L.P. (hereinafter "Management") in consideration of and subject to the terms, conditions, and covenants set forth herein, hereby Leases unto _____ (hereinafter "Resident") and Resident Leases from Management Apartment Number _____ in the apartment property known as _____ located at _____

1. **Term.** This Lease shall be for a term of one year which term shall commence on the _____ day of _____ 19____ and shall terminate on the _____ day of _____ 19____. After the initial term ends, the Agreement will continue for successive terms of one _____ each unless sooner terminated as herein provided.
2. **Monthly Resident Contribution.** Resident shall pay Management the sum of \$ _____ per month payable in advance on or before that first day of every month during the term of this Lease, such sum to be made payable to Insignia Management Group, L.P., at the above office address, or at such other address as Management shall designate in writing to Resident. If Resident begins occupancy of his/her apartment on a day of the month other than the first, Resident shall pay full month's Resident contribution on or before the beginning of his/her occupancy but shall be entitled to an appropriate proration of Resident contribution in the second month of occupancy. All monthly Resident contributions shall be paid in legal tender of the United States without setoff, abatement or reduction. Management shall be entitled to a late charge of \$ _____ for each monthly Resident contribution paid after the longer of a Five (5) day grace period, or the grace period prescribed by State law, from the date upon which it is due. If the Resident remains in default on the Fifth day of the month, Management shall immediately begin the appropriate judicial processes to regain possession of the defaulting Resident's Apartment. Resident shall pay to Management a service charge of \$ _____ for each returned check given to Management in payment of Resident contribution, after two returned checks, personal checks will not be accepted. All charges are due and payable as rent. Management agrees to accept Resident contribution without regard to any other charges owed by Resident to Management and to seek separate legal remedy for the collection of any other charge which may accrue to Management from Resident.

Any Federal subsidies paid to the borrower on behalf of Residents be suspended or canceled, due to a monetary payment or nonmonetary default by the borrower, the monetary payment made by the Resident to the borrower (or, when applicable, the monetary payment received by the Resident from the borrower) shall not change over that which would have been required had the subsidy remained in place.

Acceptance of late rent at any time does not constitute a policy, and does not waive any other rights that Management may have under any section of this Lease.
3. **Security Deposit.** In addition to the first monthly Resident contribution payment, Resident has as at this date deposited with Management the sum of \$ _____ to be held by _____, (name and address of bank or institute) the receipt of which is hereby acknowledged as security to Management for the performance by Resident of all of the obligations and undertakings required to be performed by Management under this Lease. If this Lease is terminated as a result of a default by Resident the security deposit referred to herein shall become the unconditional property of Management, not as penalty but damages. Additionally, if upon the expiration of this Lease, the leased premises shall not be returned and surrendered to Management in the same good state and condition as said premises were when they were received by Resident, except for normal wear and tear, Management shall be entitled to reduce Resident's security deposit by an amount necessary to repair the damages found in Resident's apartment, provided that if such damage exceeds the amount of Resident's security deposit, Management shall be entitled to recover the excess from Resident. If Resident shall not be in default hereunder upon the expiration of the Lease term, and if the leased premises shall be returned and surrendered to Management in the same good state and condition as they were when they were received, except for normal wear and tear, Management shall return said security deposit to Resident within any period required by law. Provided however, if Management, at his/her option, shall pay or be liable to pay any sum or sums, or do or perform any act or thing on behalf of Resident, or make good any default of Resident hereunder, any amount so paid by Management may be paid by Management at its option out of such security deposit, or may be deducted therefrom. If any interest is earned on the security deposit, such interest shall be paid to Resident if required by applicable state law, or, otherwise such interest shall be paid to Management. The Lease may be terminated by the Resident with 30 days written notice, prior to expiration of its term for "good cause" such as moving to another location for employment, loss of job, severe illness, death of spouse, or other reasons customary or mandatory in the community, or after notification by borrower of intent to prepay. Upon leaving the apartment in good condition, Lessor shall refund the security deposit to Resident. Any refund of Resident's security deposit shall be subject to the receipt by Management in writing of a forwarding address for Resident. In the event Resident does not submit a forwarding address to Management or does not claim in person the amount refunded within thirty (30) days of the termination of Resident's Lease, Management shall be entitled to retain Resident's security deposit.
4. **No Pets Allowed with the exception of assistance animals (Deposits are not charged for Assistance Animals.** Resident must obtain written consent of management as evidenced by the attached Pet/Assistance Animal Policy which outlines the Community Policies for such animals and which is part of this agreement. Resident must pay deposit to Management in the amount of \$ _____, if given written consent to keep pet. Any damages incurred to Resident's apartment or to any of the common areas of the property which are caused by the Resident's pet and/or assistance animal shall be charged to the Resident. In the event Resident's pet and/or assistance



animal becomes a nuisance to Management or to other Residents, Management shall require pet to be removed from the premises and the failure of the Resident to comply therewith shall constitute a default of this lease by Resident.

5. **Statement of Condition.** Prior to occupancy, Management and Resident shall inspect the apartment to be rented by Resident and shall jointly agree to and execute a statement setting forth the condition of the dwelling apartment and itemizing any problems therewith. The premises shall be deemed acceptable unless Resident shall note any unacceptable condition of the premises on said statement or shall give Management notice in writing of an unacceptable condition with forty-eight (48) hours of occupancy. Upon termination of Resident's tenancy, Management and Resident shall inspect the premises and, within thirty (30) days of Resident's termination, mail to Resident's forwarding address a statement setting forth the conditions of the apartment at the time this Lease is terminated and itemizing any damage thereto. This statement shall also indicate the total damages to be deducted from Resident's security deposit and the amount of the security deposit, if any, to be refunded to Resident.

6. **Determination of Eligibility.** A determination of Resident's eligibility to occupy Resident's apartment and the monthly Resident contribution required of Resident hereunder shall be made on a yearly basis and shall commence ninety (90) days prior to the termination date of this Lease (or the anniversary thereof if renewed). Management shall give written notice of such determination. Resident shall supply appropriate income and household size verifications to Management to connection with said determinations. The standards by which rents, eligibility, and appropriate dwelling apartment size shall be judged are as defined on addendum "OCCUPANCY GUIDELINES."

Resident may request a re-determination of Resident contribution at any time Resident's household income or household size has changed. Resident's misrepresentation of facts by which Resident contributions or eligibility determinations are based may result in Resident's disqualification from Farmers Home Administration Subsidy Program and Resident's removal from the property. Resident contribution changes, shelter cost changes or removal from the property because of ineligibility shall only become effective after thirty (30) days written notice to Resident. Resident agrees to move to an apartment of appropriate size if the household size changes.

Applicability to All Residents.

(a) I understand that I will no longer be eligible for occupancy in this property if my income exceeds the maximum allowable adjusted income as defined periodically by the Farmers Home Administration for the (State/Territory). Should I no longer meet the eligibility requirements of the property during the term of the Lease agreement, I will be required to vacate the apartment unless an exception is authorized by the State Director.

(b) I agree I must immediately notify the management when there is a change in my gross income or adjustment to income, or when there is a change in the number of persons living in the household. I understand my rent or benefits may be affected as a result of this information. I also understand that failure to report such changes may result in my losing benefits to which I may be entitled or may result in the management taking corrective action if benefits were mistakenly received. I understand the corrective action the management may take includes the initiation of a demand for repayment of any benefits or rental subsidies improperly received, initiation of a notice to cancel any rental assistance or Section 8 assistance being received for the balance of my certification period, initiation of a notice to increase my monthly rent to \$_____ per month (note rate rent for Plan II projects or 125 percent of rent in Plan I projects), or initiation of a notice of termination. I understand that one or more of these remedies may be initiated at the option of the management.

(c) I understand that I must promptly notify the Management of any extended absences and that if I do not personally reside in the apartment for a period exceeding 60 consecutive days, for reasons other than health or emergency, my net monthly Resident contribution shall be raised to \$_____/per month (note rate rent for Plan II properties or 125 percent of rent in Plan I properties) for the period of my absence exceeding 60 consecutive days. I also understand that should any rental assistance be suspended or reassigned to other eligible Residents, I am not assured that it will still be available to me upon my return. I also understand that if my absence continues, that as Management you may take the appropriate steps to terminate my tenancy.

(d) I understand that should I receive rental benefits to which I am not entitled due to my/our failure to provide information or due to incorrect information provided by me or on my behalf by others, or for any other household member, I may be required to make restitution and I agree to pay any amount of benefits to which I was not entitled.

(e) I agree to promptly provide any certifications and income verifications required by the Owner to permit determination to eligibility and, when applicable, the monthly Resident contribution to be charged.

(f) All Lease agreements must specify that should the apartment become overcrowded or underutilized or should the Resident no longer meet the eligibility requirements of the property during the term of the Lease agreement, he/she will be required to vacate the apartment at the end of the Lease term unless eligibility can be established following specified steps, such as moving to an appropriate size apartment, or an exception is granted by Management.

(g) All Lease agreements must contain a provision that a Resident household's tenancy still exists during the time that the Resident household's personal possessions remain in the apartment. After the Resident household has personally ceased occupancy with the intent to vacate and leave the property, until such time the personal possessions have been removed voluntarily or by legal means, subject to the State or Local law in such matters.

(h) The borrower must establish and enforce community policies to ensure there are reasonable accommodations made to persons with disabilities.

(i) I understand that I may be permitted to have a guest(s) visit my household. However, I understand that an adult person(s) making reoccurring visits or one continuous visit of 14 days and/or nights in a 45-day period without consent of the Management will be counted as a household member(s).

Occupancy and Use of Premises. The leased premises shall be used only for residential purposes and shall be occupied only by the following individuals:

Name	Birth Date	Name	Birth Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Resident shall not permit said premises to be used for any purpose that will injure or damage the reputation of the building or apartment property of which it is a part. Resident will not use or keep in said premises anything which would in any way affect the terms and conditions of a standard fire insurance policy or increase the fire insurance rates. Resident shall not at any time whatsoever do any act or thing to cause a disturbance or interfere with the rights of or the quiet and peaceful enjoyment of the other residents. Resident shall abide by and strictly conform to all community policies issued and posted by Management from time to time governing the occupancy and Management of the apartment property. Such community policies shall be posted by Management in a conspicuous place on said premises and may be changed from time to time as such change is necessary in the opinion of Management for the mutual benefit of all residents. A copy of said community policies is also attached hereto as an addendum to this Lease. The failure of Management to insist upon a strict performance of any such community policies shall not be construed as a waiver at any of Management's legal or equitable rights or remedies, nor be deemed a waiver of any subsequent breach or default by Resident.

Maintenance of Premises.

(a) Original Condition. The leased premises and the fixtures contained therein shall be deemed to be clean and acceptable, and in good repair and operative, unless otherwise reported in writing to Management within forty-eight (48) hours of the commencement of this Lease term.

(b) Cleanliness. Resident shall keep said premises and fixtures contained therein in clean and habitable condition, and upon vacating shall leave same in the condition existing at the commencement of this Lease, ordinary wear and tear resulting from careful usage excepted.

(c) Repairs. Management shall make all necessary repairs to the roof, ceiling, walls, floors, exterior windows and exterior doors of the building contained in the leased premises. Management shall be responsible for the maintenance of and the repair of building equipment, such as plumbing, heating, air-conditioning and similar equipment, so as to insure their proper operation during the term of the Lease. Resident shall be responsible for keeping and maintaining said premises in as good repair as the same were in at the commencement of this Lease, ordinary wear resulting from careful usage excepted. The cost of service to any fixture or of repairing any damage resulting from Resident's misuse or abuse of any fixture or portion of the premises shall be the responsibility of the Resident and shall be paid by Resident upon demand by Management. The portion of the apartment property which Management is responsible for maintaining shall be maintained in a decent, safe and sanitary condition in accordance with local housing codes and FmHA regulations.

(d) Alterations. No alterations or changes in or to said premises or the fixtures contained therein shall be made except upon written consent of Management. Resident shall not, without the written consent of Management, in any way change or add any additional lock(s) to the lock(s) existing when Resident takes possession of the leased premises.

(e) Common Areas. The sidewalks, entry way, passages, hallways, doors and stairway, shall not be obstructed by Resident nor used by him/her for any other purpose than ingress and egress to and from his/her respective apartment.

(f) Waste. Resident shall not waste utilities furnished by Management nor use utilities or fixtures for any improper or unauthorized purpose. Excessive utility usage will be charged to the Resident as rent.

9. Utilities and Facilities to be Supplied by Management. Management shall furnish the following utilities and facilities at no extra charge to Resident:

EQUIPMENT:	<input type="checkbox"/> Range	<input type="checkbox"/> Refrigerator	<input type="checkbox"/> Garbage Disposal	<input type="checkbox"/> Other		
UTILITIES:	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash Removal	<input type="checkbox"/> Gas	<input type="checkbox"/> Electric	<input type="checkbox"/> Other

ALL OTHER UTILITIES AND FACILITIES DESIRED BY RESIDENT
SHALL BE THE SOLE RESPONSIBILITY OF RESIDENT.
RESIDENTS WHO ARE RESPONSIBLE FOR THEIR OWN UTILITIES (I.E., ELECTRIC) MUST
MAINTAIN THAT SERVICE AT ALL TIMES DURING THEIR RESIDENCY.

10. Liability of Management. Management shall not be liable or responsible for any damage done or occasioned by or from the bursting, leaking or running of any gas or water or any plumbing fixtures in, above, upon or about the leased premises, nor for any damage occasioned by water, snow, ice being upon or coming through the roof, walls or otherwise, unless said damage was occasioned by Management's intentional acts or omissions or negligence. Management shall not be liable or responsible for any damages arising from acts or neglect of other occupants of the apartment property. All personal property of Resident kept on or within the leased premises shall be kept there at the risk of Resident only, and Management shall not be liable for any damage caused thereto (except damage occasioned by Management's intentional acts or omissions or negligence) or the theft thereof.

11. Liability of Resident for Casualty Damaged Premises. Resident shall be responsible for and liable to Management for any damage

incurred to the leased premises and any adjacent premises, including any fixtures or appliances, as a result of fire or other casualty caused by the negligence or willful acts of Resident. IT IS RECOMMENDED THAT ALL RESIDENTS SECURE RENTER'S INSURANCE.

Rights of Entry by Management. Management may, at reasonable and proper times, enter and inspect the leased premises and show same to persons wishing to rent or purchase the same, and may enter said premises at any reasonable time to make necessary repairs and to provide regularly scheduled periodic services. Except when emergency repairs are necessary, Management will give Resident at least 24 hours notice prior to entry.

3. **Sub-Lease or Assignment.** Resident shall not assign or sublet the leased premises, or any part thereof, without the written consent of Management.
4. **Renewal.** Resident shall give Management written notice at least thirty (30) days prior to the termination date of this Lease of Resident's intention to either renew this Lease for an additional like term or vacate the leased premises, and the failure to give Management said notice shall be a default under this Lease. Within five (5) days of receipt by Management of such notice from Resident, Management shall give written notice to Resident that Management either (a) consents to the renewal at this Lease for an additional like term; or (b) that Management does not consent to renewal by Resident on the terms of this Lease, in which instance this Lease shall terminate on the date set forth hereinabove and Resident shall vacate the leased premises on or before said termination date. Notwithstanding the failure of Resident to give the required written notice to Management, Management may, at its option, give Resident written notice thirty (30) days prior to the termination date that Resident must vacate the premises on the date of the termination of the Lease term. Provided, that in the event Resident fails to give Management the written notice required hereunder, Management may, in its sole discretion, deem the Resident as occupying the premises on a month to month basis, in which case either party may terminate the Lease by giving the other party thirty (30) days written notice of such termination.
5. **Destruction of Premises by Casualty.** In the event the leased premises are rendered uninhabitable by reason of fire, explosion, hurricane, or other casualty, Management, at its option, may either repair the premises to make the same habitable within ninety (90) days thereafter, or may, at its option, terminate this Lease. In the event of such termination, Management shall give Resident thirty (30) days notice in writing, where upon this Lease shall be terminated in accordance with such notice. If the premises be damaged but not rendered uninhabitable, the Resident contribution due hereunder shall not cease or be abated during the period of repair of such damage, but Management shall proceed with such repairs as expeditiously as possible under existing circumstances. Management shall not be liable for any injury or damage to persons or property caused by such casualty.
16. **Defaults.** In the event Resident shall vacate or abandon the leased premises at a time when Resident contribution is due and unpaid, in the event of non-payment of Resident contribution, or in the event of any breach of the provisions, conditions or covenants of this Lease by Resident as set forth herein, Resident's right of possession of the leased premises shall terminate forthwith, with or without notice or demand and the retention of the leased premises thereafter by Resident shall constitute an unlawful detainer trespass and/or holding over of the leased premises. In such event, at the election of Management, this Lease shall terminate and Resident shall become a Resident in sufferance, thereby permitting Management, at its option, to declare the entire Resident contribution for the balance of the remaining term of this Lease, or any part thereof, due and payable and to collect the same by distress or by the exercise of other available legal remedies. Resident shall be obligated and liable to Management for all court costs and reasonable attorney's fees incurred by Management during the successful enforcement of Management's rights under this Lease. All rights of Management shall be cumulative and no rights shall operate as a waiver or an exclusion of any other right afforded Management hereunder or by applicable State or Local Law.
17. **Grievances of Resident.** Any grievance of Resident or any appeal from a decision by Management with regard to Resident's tenancy shall be resolved in accordance with procedures consistent with FmHA regulations covering such procedures, which are posted at the rental office for the apartment property.
18. **Quiet Enjoyment.** Management agrees that as long as Resident pays the monthly Resident contribution, complies with all the covenants contained herein, and complies with all the community policies and regulations governing the use and occupancy of the leased premises, he/she shall have peaceful possession and quiet enjoyment of same, subject to the terms hereof and matters beyond the control of Management.
19. **Modification of Lease.** Management may modify the terms and conditions of this Lease, effective at the end of the initial term or a successive term, by serving Resident with written notice of such modification, together with a copy of the revised Lease or an addendum revising the existing Lease, no later than thirty (30) days prior to the termination date of the Lease. Management shall send this notice to Resident by First-Class Mail addressed to the leased premises. The date on which said notice shall be deemed to be received by Resident shall be the date on which the First-Class Letter is mailed.
20. According to federal law, certain Residents in this apartment community must pay an "occupancy surcharge" in addition to the monthly Resident contribution for rent. The occupancy surcharge is calculated and charged for each apartment in accordance with regulations prescribed by the FmHA. A copy of these regulations is available to you in the rental office for this community.

The initial occupancy surcharge for this rental apartment is \$ _____. No Resident is required to pay more than 30% of their annual adjusted income for rent, utilities, and occupancy surcharge. The amount of the above surcharge that you must initially pay, therefore, is \$ _____. The occupancy surcharge amount for this apartment and the amount you must pay will be reviewed on _____ (date of next review) and annually thereafter.

Your signature on this paragraph to the Lease indicates that you have read this paragraph and the following statement, and agree to be bound by its terms:

I agree to pay \$ _____ for occupancy surcharge along with my Resident contribution each month for a monthly contribution of \$ _____. I understand that I will be notified of the results of future surcharge reviews at least 30 days before the effective date of any new payments required.

I understand that the failure to pay the occupancy surcharge along with my Resident contribution is a violation at this Lease agreement and could result in the imposition of a late fee or eviction.

21. It is understood that the use, attempted use, or possession, manufacture, sale or distribution at an illegal controlled substance (as defined by Local, State or Federal Law) while in or on any part of this apartment community or cooperative is an illegal act. It is further understood that such action is a material Lease violation. Such violations (hereinafter called a "drug violation") may be evidenced upon the admission to or conviction of a drug violation.

The Management may require any Resident or other adult member of the resident household occupying the apartment (or other adult or nonadult person outside the resident household who is using the apartment) who commits a drug violation to vacate the leased apartment permanently, within time frames set by the Management, and not thereafter enter upon the Management's premises or the leased apartment without the Management's prior consent as a condition for continued occupancy by members of the resident household. The Management may deny consent for entry unless the person agrees to not commit a drug violation in the future and is either actively participating in a counseling or recovery program, complying with court orders related to a drug violation, or completed a counseling or recovery program.

The Management may require any Resident to show evidence that any nonadult member of the resident household occupying the apartment, who committed a drug violation, agrees to not commit a drug violation in the future, and to show evidence that the person is either actively seeking or receiving assistance through a counseling or recovery program, complying with court orders related to a drug violation, completed a counseling or recovery program within time frames specified by the Management as a condition for continued occupancy in the apartment. Should a further drug violation be committed by any nonadult person occupying the apartment, the Management may require the person to be severed from tenancy as a condition for continued occupancy by the Resident.

If a person vacating the apartment, as a result of the above policies, is one of the Residents, the person shall be severed from the tenancy and the Lease shall continue among any other remaining Residents and the Management. The Management may also, at the option of the Management, permit another adult member of the household to be Resident.

Should any of the above provisions governing a drug violation be found to violate any of the laws of the land, the remaining enforceable provisions shall remain in effect. The provisions set out above do not supplant any rights of residents afforded by law.

22. I/we acknowledge that I/we am/are occupying a designated handicapped accessible apartment. I/we acknowledge that priority for such apartments should be given to those needing special physical design features. I/we acknowledge that I/we am/are permitted to occupy the apartment until Management issues a notice that a priority applicant is on the waiting list and that I/we must move to another suitably sized vacant apartment in the property. Upon receiving this notice to move, I/we agree to move at my/our own expense within thirty (30) calendar days to the suitably sized vacant apartment located in the property unless it has been agreed to, in writing, the moving expenses will be shared between I/me and the property. I/we further understand my/our rental rate will change, when appropriate, to the rental rate for the new apartment I/we move to and this Lease will be modified accordingly.

23. Covenants and Agreements. All promises, covenants and agreements set forth in this Lease shall be binding upon, and apply and inure to the benefit of the heirs, executors, successors, assigns or administrators, respectively of Management and Resident.

24. Notices. Any notices or demands to be given hereunder shall be in writing and shall be given to Management or Resident, as required, at the address shown herein for each.

25. Rental Increase. If FmHA approves a rental increase for the property, Management shall give Resident thirty (30) days notice of such increase. Resident shall pay the new rental rate beginning with the first month after the lapse of the said thirty (30) day period.

26. This paragraph 26 shall only be applicable to Leases in connection with borrower's participating in the FmHA rental assistance program.

☐ Applicable Date: _____ Signature _____ ☐ Not Applicable

I understand and agree that as long as I receive rental assistance, my gross monthly Resident contribution (as determined on the latest Form FmHA 1944-8, which must be attached to this Lease) for rent and utilities will be \$ _____. If I pay any or all utilities directly (not including telephone or cable TV), a utility allowance of \$ _____ will be deducted from my gross monthly Resident contribution and my resulting net monthly contribution will be \$ _____. If my net monthly Resident contribution would be less than zero, the Management will pay me \$ _____.

I also understand and agree that my monthly Resident contribution under this Lease may be raised or lowered, based on changes in the household income, failure to submit information necessary to certify income, change in the number and age of persons living in the household, and on the escalation clause in this Lease. Should I no longer receive rental assistance as a result of these changes, or the rental assistance agreement executed by the Owner and FmHA expires, I understand and agree that my monthly Resident contribution may be adjusted to no less than \$ _____ (Basic) nor more than \$ _____ (Note Rate Rent) during the remaining term of this Lease, except that based on the escalation clause in this Lease these rental rates may be changed by a Farmers Home Administration occupancy charge or approved rent change. I understand that every effort will be made to provide rental assistance as long as I remain eligible and the rental assistance agreement between the Owner and

FmHA remains in effect. However, should this assistance be terminated, I may arrange to terminate this Lease, giving proper notice as set forth elsewhere in this Lease.

27. This paragraph 27 shall only apply for Leases with borrowers operating under Plan II interest credit only.

☐ Applicable

☐ Not Applicable

I understand and agree that my gross monthly Resident contribution as determined on the latest Form FmHA 1944-8, which must be attached to this Lease, for rent, occupancy charges and utilities will be \$ _____. If I pay any or all utilities directly (not including telephone or cable TV), a utility allowance of \$ _____ will be deducted from my gross monthly Resident contribution except that I will pay not less than the basic rent nor more than the note rate rent or occupancy charges stated below. My net monthly Resident contribution will be \$ _____. I understand that should I receive rental subsidy benefits (interest credit) to which I am not entitled, I may be required to make restitution and I agree to pay any amount off benefit to which I was not entitled. I also understand and agree that my monthly Resident contribution under this Lease may be raised or lowered based on changes in the household income. Failure to submit information necessary to certify income, changes in the number and age of persons living in the household, and on the escalation clause in this Lease. My Resident contribution will not, however, be less than \$ _____ (Basic) nor more than \$ _____ (Note Rate) during the term of this Lease, except that based on the escalation clause in this Lease, these rental rates may be changed by a Farmers Home Administration occupancy charge or approved rent change.

28. **Entire Agreement.** This Lease contains the entire agreement between the parties, and any agreement made hereafter to change, amend, or modify this Lease shall be invalid unless the same is in writing and executed by both parties hereto.
29. **Severability of Provisions.** In the event any provision or portion of any provision of this Lease is declared unenforceable or invalid by any court or administrative body having competent jurisdiction, the remaining provisions of the Lease shall be deemed enforceable and shall remain in full force and effect.
30. **Non-Discrimination.** The Management shall not discriminate against the Resident in the Provision of services, or in any other manner, on the grounds of race, color, creed, religion, sex, age, national origin, familial status, or physical or mental handicap (provided the applicant has the capacity to enter into a binding legal contract). The property is financed by FmHA and is subject to nondiscrimination provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975; and that all complaints are to be directed to the Administrator, FmHA, USDA, Washington, DC 20250. However, complaints of Fair Housing violations may be sent directly to the Secretary of Housing and Urban Development, Washington, DC 20410.
31. **Escalation Clause.** Management hereby reserves the right and Resident agrees to pay during the term at this Lease an increase in the basic and/or market rents which from time to time may be increased by written authority of the FmHA for the purpose of meeting increased costs of operating the property. However, no increases in Resident contribution to rent will take place due to prepayment of the FmHA loan during the term of the Lease.
32. **Transfer of Ownership.** It is understood between the parties that should the property be sold to a buyer approved by FmHA, the Lease will be transferred to the new Owner.
33. **Abandoned Property.** A Resident household's tenancy still exists during the time that the Resident household's personal possessions remain in the apartment until after the household has personally ceased occupancy with the intent to vacate and leave the property, and until such time the personal possessions have been removed voluntarily or by legal means, subject to the provision of State or Local Law in such matters.
34. **Attachments to the Agreement.** Resident certifies that he/she has received a copy of this Agreement and the following Attachments to this Agreement and understands that these Attachments are part of this Agreement.
- A. Attachment No. 1—Farmers Home Form 1944-8 and (if Applicable) HUD Form 50059.
 - B. Exhibit A6, Housing Allowances for Utilities and other Public Services.
 - C. Community Policies.
 - D. Security Deposit Payment Addendum (if Applicable).
 - E. Pet/Assistance Animal Policy (if applicable).
 - F. Designated Sponsor Agreement (if Applicable).
 - G. Occupancy Guidelines
 - H. Prepayment Clause

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of _____ day of _____

BY: INSIGNIA MANAGEMENT GROUP, L.P.
Managing Agent

BY: _____
RESIDENT

WITNESS

WITNESS

WITNESS